

HOUSE No. 2298

By Mr. Sannicandro of Ashland, petition of Karen E. Spilka for legislation to provide property tax credits to certain persons over the age of sixty-five. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT RELATIVE TO A SENIOR PROPERTY TAX CREDIT.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 59 of the General Laws is hereby amended by inserting
2 after section 5k the following section:—

3 Section 5L. In any city or town which accepts the provisions of
4 this section, the board of selectmen of a town or in a municipality
5 having a town council form of government, the town council or
6 the mayor with the approval of the city council in a city may
7 establish a program to allow persons over the age of 65 to receive
8 a credit on their property tax bill based on the school expenditures
9 for that city or town. In order to qualify for this credit, the person
10 must be 65 years of age or older as of the year of application and
11 who has been a resident for 10 years or more in the town, has paid
12 property taxes for 10 years or more and utilizes the property as his
13 principal residence and there is no one staying in the residence for
14 more than 60 days during the fiscal year who is either under the
15 age of 6 years old or who attends a public or private pre-school,
16 nursery school, elementary school, middle school, junior high
17 school or senior high school or similar school.

18 Applicants shall meet the following income and asset require-
19 ments for eligibility, if single incomes of \$50,000 or less, if mar-
20 ried \$60,000 or less and assets of %75,000 or less not including
21 the primary residence and 1 motor vehicle registered to the appli-
22 cant. The assessments and tax rate changes of senior qualified
23 properties shall be recalculated on an annual basis. The lesser of

24 the calculations will prevail as the property tax levy for that year.
25 For the purpose of this exemption, income means the “adjusted
26 gross income” for federal income tax purposes as reported on the
27 applicant’s latest available federal or state income tax return for
28 the applicable income tax year, subject to any subsequent amend-
29 ments or revisions, reduced by distributions, to the extent included
30 in federal adjusted gross income, received from an individual
31 retirement account and an individual retirement annuity; provided
32 that if no such return was filed for the application income tax
33 year, income means the adjusted gross income that would have
34 been so reported if such a return had been filed.

35 The amount of the credit shall be calculated as follows:

36 (a) The amount of the total tax due the municipality from the
37 qualifying senior shall be multiplied by the amount the munici-
38 pality pays for schools divided by the amount of the total town
39 budget for that fiscal year, divided by 10. For qualifying individ-
40 uals, whose income is less than \$18,000 per year, the above credit
41 shall be twice that amount.

42 (b) The city or town shall reduce the real property tax obliga-
43 tions of such person over the age of 65 on his tax bills and any
44 reduction so provided shall be in addition to any exemption or
45 abatement to which any such person is otherwise entitled.

46 (c) Participation in this program is nullified when the home-
47 owner who is 65 or older moves permanently from the property or
48 the property is sold and deeded to a new owner. The board of
49 assessors shall prepare a simple application for participation in the
50 program and shall oversee its administration. In no instance shall
51 the amount by which this program reduces a person’s property tax
52 liability be considered income for the purpose of taxation.

53 (d) Such cities and towns shall have the power to create local
54 rules and procedures for implementing this section any way con-
55 sistent with the intent of this section.